

U. S. OFFICIALS ONLY

10/3  
14 October 1954  
S. A. et chakCIA WORK GROUP1. Reference Document and Subject:

Commerce memo, TC-1205, 2-74 of 23 August 1954  
 Shipments of Strategic Materials to Austria

2. ICR Case Numbers:

127 (in part only)

3. Summary of Situations:

Over the past year, a series of CIA reports have been received by this office and ICR regarding shipments of strategic commodities from the west to Austria, and/or through Austria to the Bloc. In most instances the destination given on these documents was a Viennese freight forwarder. In some instances the reports mentioned that the commodities were destined for a Soviet Bloc firm.

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A sample of these reports [REDACTED] was transmitted to the ICR agencies on or about 5 August 1954. The matter was discussed at the ICR meeting of 12 August 1954 at which it was decided that Mr. Lindsay of ICR would undertake to check the US origin shipments. According to the ICR memo referred to above, it appears that the Department of Commerce was at that time already in the process of investigating US shipments mentioned in prior reports of a similar nature. D/CI decided to transmit the above [REDACTED] as a pilot project in order to see whether the US origin shipments could be traced back to the exporter and manufacturer. In the event that such a check should prove productive, a similar check by the appropriate foreign governments for shipments originating in their territories may be equally useful.

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The preliminary check produced by the Department of Commerce as reported in the ICR memo lists above is not very encouraging. It is, however, the opinion of D/CI that in some instances a further check can be undertaken and that at this stage it would be premature to evaluate this series of reports. For example, no reply from the field seems to have been sent with regard to [REDACTED] and no conclusive reply from the field seems to have been received in connection with [REDACTED]

4. D/CI Suggestions:

- a. D/CI suggests that it may be feasible to check these shipments against Commerce licenses for such commodities for the dates preceding the reported shipments.

**\*DOC Exemption Letter In EUR File\***

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The shipment was marked as follows:

Holand - C Hartwig, Edynie  
C. Nr. 50000/53  
to 07/1000/301, 302, 303

The above markings corresponds to the warnings to be placed upon the LKW shipments according to the C&S report. That report also named the Hamburg firm LAFIT und SCHULTE GmbH as the intended shipper of these items.

The numbers 301, 302, 303 appear to relate to the box or crate numbers indicating that 300 boxes had already been shipped prior to 27 August 1954. The word "Bestellreferenz" appearing in the manifest, furthermore, causes us to believe that the shipment of 27 August was the final one. There is no reason to believe that these shipments did not contain all of the items mentioned in the C&S report including the ones believed to be of an international list I as in effect prior to 16 August 1954.

All of these items (see itemized list on CA-4321) appear to have been decontrolled and appear to be no longer covered by International List I subsequent to 16 August 1954.

It would, therefore, be interesting to ascertain, whether these items were in fact shipped subsequent to the decontrolled date. It would also be of interest to check the license and the underlying documents therefore covering these shipments in order to determine when and on what basis the license was issued. Since ~~the German authorities~~ ~~the German authorities~~ were informed as to the nature of each individual part. Since it is highly probable that the license was applied for, and perhaps even granted, prior to 27 July 1954, or 16 July 1954 we are puzzled by the statement of the Ministry of Economics. If it turns out that LAFIT obtained its license prior to the date the Ministry of Economics informed Kieseg soon of its investigation that fact may appropriately be brought to the attention of the German Government in order to prevent a similar occurrence in the future.

Inasmuch as the manifest is made meaningful only when correlated with C&S information, it is requested that any outgoing message be cleared with this Agency.

b. RIC action items:

1. Clear to go out. - To be forwarded to Glance -  
first for their information - forward to Jellicoe  
for comment.

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"With reference to the above-mentioned circular airgram (U-4321), the contents of which were brought to the attention of the Federal Government, the Ministry for Economics had advised us as follows:

"The investigation of all certificates of approval issued to the firm Burgi Gesellschaft fuer Metrotechnik mbH., Frankfurt/Main, since January 1, 1953 revealed no indications that the firm is planning or has already finished the production of plants and spare parts for shipment to the Polish factory Tenczin. In addition, all certificates of approval issued to the Burgi Metrotechnik mbH. since January 1, 1953 for exports to the western countries have been checked in order to ascertain whether any of the goods listed on the certificates could have been destined for the Polish plant in question. However, this investigation also negative results."

*H. J. L.*

SECRET